

STATE OF CALIFORNIA

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Date: November 4, 1999

PAYROLL LETTER # 99-020
CIVIL SERVICE ONLY

To: All Agencies in the Uniform State Payroll System

From: Ralph Zentner, Chief
Personnel/Payroll Operations Bureau

Re: EXCLUDED EMPLOYEE LEAVE BUY BACK

This Payroll Letter provides instructions for requesting pay for the Excluded Employee Leave Buy Back Program. For details of this program, please refer to the Department of Personnel Administration's (DPA) Personnel Management Liaison (PML) memorandum 99-046.

Effective November 1, 1999 through June 30, 2000 departments may submit Leave Buy Back payment requests. Pursuant to the PML, all payments must be submitted by June 30, 2000. The Leave Buy Back payments are based on the employee's hourly salary rate multiplied by the number of hours bought back. For example, the computation for an employee whose salary full (includes locked in premiums) is \$4200.00 and the State is buying back 40 hours of Annual Leave credits would be:

\$24.23	Hourly Rate (\$4200.00 / 173.33)
<u>x 40</u>	Annual Leave hours bought back
\$969.20	Annual Leave Buy Back gross pay

Leave Buy Back payments are subject to federal and state taxes withheld at the flat rate (28% and 6% respectively). Payments are also subject to Social Security and Medicare tax withholding where applicable, but are NOT subject to retirement contributions.

Payments should be submitted via the Payroll Input Process (PIP) system. Either STD. 671, Miscellaneous Payroll/Leave Actions, or Form 672, Time and Attendance Report, may be used to document the information for entry into the PIP system. Refer to Payroll Procedures Manual (PPM) Section G 005 and G 006 for STD. 671 and Form 672 completion instructions.

The Earnings ID's used to request the various Leave Buy Back payments are:

PAYMENT REQUEST	EARNINGS ID
Annual Leave and Vacation Buy Back	9V
Personal Holiday Credit Buy Back	9P
Personal Leave Buy Back	99

For California Leave Accounting System (CLAS) users, the Earnings ID's to issue Leave Buy Back payments and to update CLAS leave records are:

PAYMENT REQUEST	EARNINGS ID
Annual Leave Buy Back	AL34
Vacation Buy Back	VA34
Personal Holiday Credit Buy Back	PH34
Personal Leave Buy Back	PL36

PIP keying for Earnings ID's 9V and 9P will require entry of the Gross field. The Time To Be Paid, Salary Rate and WWG/FLSA fields must be blank. Earnings ID 99 and PL36 will require entry of the Time To Be Paid Hours field. The Gross field will be system computed based on the hours to pay and the employee's straight-time hourly salary rate for the pay period that the payment is being requested (including locked in premiums). If the employee is entitled to a rate that includes premium pays that are NOT locked in, pay must be requested via STD. 674, Payroll Adjustment Notice. Earnings ID's AL34, VA34 and PH34 require entry of the Time To Be Paid Hours field and the Gross field. The Salary Rate and WWG/FLSA fields must be blank.

After reviewing the PIP Exceptions in PPM, Section G 043 and G 102, complete items 15 - 17 and 19 - 21 as follows:

- 15 - Earnings ID (Complete)
- 16 - Days (blank)
- 17 - Hrs/Hdths leave blank if Earnings ID = 9V or 9P. Complete if Earnings ID = 99, AL34, VA34, PH34 or PL36
- 19 - Salary Rate (blank)
- 20 - WWG/FLSA (blank)
- 21 - Gross Leave Blank if Earnings ID 99 or PL36 and premium pays are locked in.
Submit STD.674 if Earnings ID = 99 or PL36 and Premium Pays are NOT locked in.
Complete if Earnings ID = 9V, 9P, AL34, VA34 or PH34.

Questions regarding the procedures for requesting Leave Buy Back payments should be directed to the Civil Service Payroll Liaison Unit at (916) 323-3081 or CALNET 473-3081.
Questions regarding Leave Buy Back payment procedures for CLAS should be directed to the CLAS Hot Line at (916) 327-0756 or CALNET 467-0756. For information regarding the Excluded Employee Leave Buy Back Program refer to PML Memorandum 99-046.

RZ:SW:PMAB